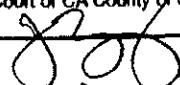


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MAY 21 2019

Clerk of the Court
Superior Court of CA County of Santa Clara
BY  DEPUTY

J. Zenzen

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA CLARA

PALANTIR TECHNOLOGIES, INC., a
Delaware corporation,

Case No. 16CV299476

Plaintiff,

ORDER DENYING DEFENDANTS'
MOTION FOR AN ANTI-SUIT
INJUNCTION

vs.
MARC L. ABRAMOWITZ, in his individual
capacity and as trustee of the MARC
ABRAMOWITZ CHARITABLE TRUST NO. 2;
KT4 PARTNERS LLC, a Delaware limited
liability company; and DOES 1-50, inclusive,

ORDER ON SUBMITTED MATTER

Defendants.

The motion of defendants Marc L. Abramowitz, individually and as trustee of the Abramowitz Charitable Trust No. 2, and KT4 Partners LLC for an order enjoining plaintiff, Palantir Technologies, Inc., from pursuing patent litigation it filed against Abramowitz in the Regional Court Munich 1 in Germany (the German Proceedings), came on for hearing on February 5, 2019, in Department 10 of the Court, the Honorable Helen E. Williams, presiding. Jack P. DiCanio of Skadden, Arps, Slate, Meagher & Flom LLP argued the motion for defendants. Jay P. Lefkowitz of Kirkland & Ellis LLP argued in opposition to the motion for plaintiff. After the hearing, additional papers were filed by both sides without leave of court but

1 which the court has nonetheless considered, and the matter was then submitted for decision.
 2 After consideration of the pleadings, the evidence, the briefing, arguments of counsel, and the
 3 applicable law, the court denies the motion as follows.

4 I. *Relevant Background¹*

5 Palantir, founded in 2004, is a privately held software and services company specializing
 6 in data analytics. It is a Delaware corporation with its principle office in Silicon Valley.
 7 According to Palantir, this case arises from Abramowitz's attempt to take advantage of his
 8 unique position as a trusted advisor and early investor in Palantir to reap for himself profits at
 9 Palantir's expense by patenting, in his sole name, inventions made by, and belonging to, Palantir.
 10 Palantir contends that as an early investor and confidant to the company and its senior
 11 executives, Abramowitz received confidential information about Palantir's most sensitive
 12 business strategies and trade secrets. But by 2014 and into 2015, Palantir alleges, instead of
 13 acting in the company's best interests, Abramowitz, despite having no history or experience of
 14 technical invention or patent innovation, filed patent applications first in the United States and
 15 then in European Union naming himself as the sole inventor and assignee of certain technologies
 16 in an attempt to steal those inventions developed by Palantir over many years. According to
 17 Palantir's operative complaint, the information disclosed to defendants in confidence generally
 18 relates to three technologies for "interpreting and analyzing data"—"Healthcare Technology,"
 19 "Cyber Insurance and Cybersecurity Technology," and "Natural Resources Exploration
 20 Technology."

21 The patent applications filed by Abramowitz in Europe named contracting states to the
 22 European Patent Convention as "designated states" with additional references to "European" and
 23 Germany. The effect of the European filings simultaneously generated European and German
 24 applications, the former before the European Patent Office (EPO) and the latter before the
 25 German Patent and Trademark Office (GPTO). According to Palantir, Abramowitz elected not to

26 ¹ The factual background is well known to the parties and their respective counsel and
 27 many of the filings in this case are under seal. In an effort to avoid disclosing in this order
 28 matters that have been designated as confidential, the Court has omitted any significant
 discussion of the background facts and has included only enough here for context.

1 fulfill the conditions for progressing his patent applications at the EPO and GPTO within the
 2 prescribed period such that they were legally deemed abandoned. Further according to Palantir, it
 3 could not commence the specific type of claim it did in the German Proceedings to protect its
 4 inventorship interests in the European patents—initially pursued there by Abramowitz—until
 5 this prescribed period had elapsed.

6 In the course of the relationship between Palantir and Abramowitz, three relevant written
 7 contracts came into being, each of which contains a confidentiality or non-disclosure provision
 8 and a forum selection clause that places jurisdiction and venue of any litigation concerning the
 9 subject matter of the respective contracts in the state or federal courts of Santa Clara County or
 10 the Northern District of California, respectively (Confidentiality Contracts). The first contract, a
 11 Preferred Stock Transfer Agreement, was dated August 14, 2012, and Palantir and defendant
 12 Marc Abramowitz Charitable Trust No. 2 are parties. The second contract, a purely non-
 13 disclosure agreement, was signed by Abramowitz for himself personally on July 12, 2014. The
 14 third, a Preferred Stock Transfer Agreement, was dated June 17, 2015, and Palantir and
 15 defendant KT4 Partners LLC are parties.²

16 According to Palantir, at some point it discovered Abramowitz's patent applications in
 17 the United States and Europe, respectively, and then took steps to protect the intellectual
 18 property it claimed as its own. Palantir initiated proceedings in the United States Patent and
 19 Trademark Office (USPTO) to establish its rights to the technology, including filing a derivative
 20 proceeding before the Patent Trial and Appeal Board. And it filed this lawsuit in 2016. The
 21 second amended complaint, the latest pleading iteration, alleges that defendants obtained trade
 22 secret information from Palantir while subject to the Confidentiality Contracts, and disclosed the
 23 confidential information by, among other things, filing the U.S. and European patent applications
 24 that contained the information. The pleading includes causes of action for breach of the
 25 Confidentiality Contracts and breach of the implied covenant of good faith and fair dealing

27 ² Again, as the particular contracts are under seal and subject to a protective order, the
 28 Court refrains from describing the contracts in any more particularity. But the Court has
 reviewed the totality of each contract and has analyzed the pertinent provisions as relevant to this
 motion.

1 inherent in them, violation of the California Uniform Trade Secrets Act (the Act, Code Civ.
 2 Proc., § 3426 et seq.), unfair competition in violation of Business & Professions Code section
 3 17200, and declaratory relief. The relief sought by the prayer includes money damages caused by
 4 defendants' alleged trade secret theft and disclosures of confidential information and broad
 5 injunctive relief precluding defendants from "directly or indirectly retaining, using, or disclosing
 6 Palantir's trade secret, confidential and/or proprietary information, and derivatives thereof."
 7 According to defendants, this information would include and encompass the same intellectual
 8 property as contained within Abramowitz's patent applications both in the U.S. and Europe, and
 9 so, any relief in this case that Palantir may ultimately achieve would encompass that which it
 10 might also achieve in patent litigation elsewhere.

11 Defendants initially responded to this action by removing it to the United States District
 12 Court for the Northern District of California, asserting federal question jurisdiction, namely that
 13 arising under U.S. patent law. They contended that though the complaint was "artfully pled," in
 14 substance, Palantir's claims against defendants necessarily raised questions of inventorship that
 15 could only be resolved by application of federal patent law. Palantir, for its part, responded with
 16 a motion in the District Court to remand the case back to this court, contending that its claims all
 17 arise under state law and do not involve or depend on federal law.

18 On March 9, 2017, in a written order, the District Court granted Palantir's motion to
 19 remand the case back to this court, concluding that its causes of action do not arise under federal
 20 law.³ The court isolated the federal question identified by defendants as whether Abramowitz is
 21 or is not the inventor and owner of the disputed technology that is the subject of the patent
 22 applications and whether in filing those applications, he falsely claimed to be the inventor. The
 23 court further examined the complaint's prayer for relief, noting that a prayer by itself cannot
 24 create federal question jurisdiction. The court further noted that Palantir's complaint does not
 25 request any declaration about inventorship and characterized the injunctive relief in the prayer as
 26 falling under the Act or other state law as opposed to federal law. Relying on federal law, the
 27 court concluded that Palantir's claims and theories of relief may be adjudicated, and appropriate

28 ³ The court takes judicial notice of the order.

1 monetary and injunctive relief awarded, without resolution of “ ‘inventorship’ ” in the technical
2 sense used in patent law. The court further determined that while Abramowitz’s conduct in
3 pursuing the patent applications may provide evidence supporting Palantir’s state-law claims,
4 that evidence does not convert the case to one arising under U.S. patent law. And further that all
5 of the causes of action instead derive from state statutory or common law, which can be resolved
6 without reaching the issue of inventorship unique to federal law, and the state-law claims must
7 necessarily be resolved without reliance on patent law because patent law is not a necessary
8 element of any of the pleaded causes of action. “The fact that Palantir’s proposed remedy may
9 tangentially involve issues touching on patent ownership does not convert the state law claims
10 into federal law claims—particularly where no patents have issued.” (Order, at p. 13, lines 24-
11 27.) The case was thus remanded back to this court.

12 As and after the case returned to this forum, the parties have fervently disputed the
13 adequacy of Palantir’s disclosure of its trade secrets under the Act. Palantir made two
14 unsuccessful attempts to have the discovery stay under Code of Civil Procedure section 2019.210
15 lifted, the court (Judge Mary Arand) each time finding that the alleged trade secrets had not been
16 described with sufficient particularity, with Palantir’s efforts amounting to no more than pointing
17 to the patent applications. In the second of its orders, this one dated September 4, 2018, the court
18 specified the manner in which the trade secrets should be described and the degree of
19 particularity needed before the court would allow discovery in this case to get under way.

20 In August 2018, while discovery in this case remained stayed, Palantir brought the
21 German Proceedings, seeking a declaration that Abramowitz is not entitled to obtain the
22 international patents on the Cyber Insurance and Cybersecurity Technology and that it is instead
23 Palantir who is entitled to patent these inventions. In the German Proceedings, Palantir also seeks
24 compensation for all damages allegedly suffered as a result of Abramowitz’s international
25 pursuit of the patents, which defendants characterize as relief that is duplicative to and
26 encompassed within that sought here. Defendants contend, similarly to what they claimed in
27 opposition to remand from the District Court, that the allegations of the complaint here
28

1 necessarily include resolution of the patent claims, and therefore necessarily subsume the
 2 allegations and any relief that may be forthcoming in the German Proceedings.

3 In connection with the German Proceedings, and soon after initiating that case, Palantir,
 4 through different counsel from those representing it in this case, filed an ex parte application in
 5 the U.S. District Court for the Northern District of California under 28 U.S.C. § 1782 (section
 6 1782 application) for leave to take discovery for use in the German Proceedings. Palantir sought
 7 information not just directly relating to the two technologies at issue there but to all the
 8 technologies at issue in *this* case. The application did not disclose the specifics of the
 9 Confidential Contracts or mention the discovery stay then still in effect in this case. Defendants
 10 opposed the application and posited that Palantir, frustrated by the continued stay on discovery in
 11 this case under the Act, was using the German Proceedings to leverage discovery through the
 12 section 1782 application that it was not otherwise entitled to here.

13 On December 6, 2018, the District Court conducted a hearing on the section 1782
 14 application, and indicated that it was not inclined to deny it “as long as the German action is
 15 different.” (Tr. at pg. 6, lines 9-10.) The court further expressed skepticism of defendants’
 16 premise that Palantir’s claims in the German Proceedings about the disputed European patent
 17 rights is subsumed within the claims and facts being litigated in this action such that it is
 18 duplicative and a mere tool to obtain discovery in this case to which it was not yet entitled. The
 19 court observed that once Palantir sufficiently identifies its claimed trade secrets so as to be
 20 entitled to proceed with discovery, assuming it can, this argument “disappears.” (Tr. at p. 16, line
 21 18.) Palantir, appearing in the District Court through its separate counsel, also offered to enter
 22 into a protective order to abate the concern that the discovery it might receive through the section
 23 1782 application would be shared beyond its separate counsel or used for purposes outside of the
 24 German Proceedings. The court deferred ruling on the application pending service of process on
 25 Abramowitz, which had not yet occurred, and pending this ruling on defendant’s motion to
 26 enjoin Palantir from prosecuting the German Proceedings.

27 On May 8, 2019, this court (Judge Mary Arand) concluded that Palantir had, on its third
 28 try, sufficiently identified its trade secrets under Code of Civil Procedure section 2019.210 such

1 that discovery in this case could commence. The court allowed one further amendment to narrow
 2 the 23 trade secrets Palantir described.⁴

3 II. *Applicable Law on Anti-Suit Injunctions*

4 An anti-suit injunction restrains a party from pursuing an action in a court of a foreign
 5 jurisdiction. (*TSMC North America v. Semiconductor Manufacturing International Corp.* (2008)
 6 161 Cal.App.4th 581, 589-591 (*TSMC*).) California law on anti-suit injunctions appears to vary
 7 from federal law applied in the Ninth Circuit, which is more liberal in application. It is, of
 8 course, California law that binds this court. *Advanced Bionics Corp. v. Medtronic, Inc.* (2002) 29
 9 Cal.4th 697, 705 (*Advanced Bionics*), decided by the California Supreme Court some 17 years
 10 ago, remains the leading case under state law. Although California courts have a recognized
 11 power to issue an anti-suit injunction to restrain a party from litigating an action in another
 12 state's courts, this power must be exercised “ ‘sparingly’ ” and with judicial restraint. (*TSMC*,
 13 *supra*, 161 Cal.App.4th at p. 589, quoting *Advanced Bionics, supra*, 29 Cal.4th at p. 705.) The
 14 Supreme Court in *Advanced Bionics* explained that an anti-suit injunction may be issued to
 15 prevent conflicts between different California courts in multiple cases, but the situation becomes
 16 more difficult, and requires additional “judicial restraint,” when the second case is filed in an
 17 extra-territorial forum and each state’s “sovereignty concerns” are implicated. (*Advanced*
 18 *Bionics, supra*, 29 Cal.4th at pp. 705-707.) The court cited with approval cases from other states
 19 holding that a difference in substantive law does not justify an injunction compelling a party not
 20 to litigate a proceeding in another jurisdiction, nor does the potential that inconsistent judgments
 21 may be rendered, nor that a judgment in one action may have a preclusive effect on the other
 22 action. (*Ibid.*)

23 In addition to highlighting the importance of judicial restraint in the context of a motion
 24 for an anti-suit injunction, the *Advanced Bionics* court also noted that the principle of comity
 25 must be taken into account when considering whether such an injunction should be issued.
 26 (*Advanced Bionics, supra*, 29 Cal.4th at p. 707.) As the court explained, California courts should
 27 not, as a matter of courtesy or comity, and as a matter of mutual utility and advantage, interfere

28 ⁴ The court takes judicial notice of this order.

1 with a court action in another jurisdiction where neither that state nor its citizens will suffer any
 2 inconvenience from the operation of the foreign law. In furtherance of this policy of restraint and
 3 comity, the court held that enjoining a proceeding in another jurisdiction “requires an *exceptional*
 4 *circumstance that outweighs the threat to judicial restraint and comity principles.*” (*Id.* at p. 708,
 5 italics added.) In the employment context presented in *Advanced Bionics*, the court found no
 6 such “exceptional circumstance” to justify the anti-suit injunction because, in sum, California’s
 7 “strong interest” in protecting state-based employees from noncompetition agreements did not
 8 overcome the principles of judicial restraint and comity governing anti-suit injunctions. (*Id.* at
 9 pp. 706-708.) Thus, even an important and articulated state policy still may not trump comity
 10 concerns cautioning against an anti-suit injunction.

11 In *TSMC, supra*, 161 Cal.App.4th 581, the Court of Appeal affirmed a denial of a motion
 12 for an anti-suit injunction, finding no exceptional circumstances in the context of a trade secrets
 13 lawsuit. (*Id.* at pp. 591-602.) The trial court had declined to issue an injunction enjoining a party
 14 from litigating a parallel proceeding in the People’s Republic of China. In affirming, the
 15 reviewing court rejected arguments that an anti-suit injunction was needed to (1) preserve a
 16 California company’s constitutional rights of free speech and petition; (2) protect the California
 17 court’s power and rulings; (3) protect California public policies; and (4) enforce permissive
 18 contractual choice-of-law provisions. (*Ibid.*) As the Court of Appeal explained, if the Beijing
 19 court ultimately failed to provide the California company with due process, then that issue could
 20 be raised in arguing any judgment from the Beijing-issued judgment was not binding in
 21 California. (*Id.* at p. 602.)

22 In *Biosense Webster, Inc. v. Superior Court* (2006) 135 Cal.App.4th 827 (*Biosense*), the
 23 Court of Appeal granted a petition for writ of mandate challenging an anti-suit injunction,
 24 finding no exceptional circumstances in the context of an employment action involving, as in
 25 *Advanced Bionics*, a noncompetition agreement. In *Biosense*, a parallel proceeding had not yet
 26 been filed, and the injunction would have affected a possible action in the federal court. The
 27 court found the former element did not weigh in favor of a TRO because precluding the filing of
 28 an action implicated the principles of judicial restraint and comity as much as stopping further

1 litigation. It found the latter element weighed against an injunction as well because a state court
 2 is without power to enjoin the filing of a federal lawsuit. (*Id.* at pp. 837-839.) The court observed
 3 that “an anti[-]suit injunction conveys the message that ‘the issuing court has so little confidence
 4 in the foreign court’s ability to adjudicate a given dispute fairly and efficiently that it is unwilling
 5 even to allow the possibility.’ [Citation.]” (*Id.* at p. 837.) This forcefully sums up the comity
 6 concern in the anti-suit injunction context.

7 What is evident from these California cases is the degree of restraint that must be
 8 exercised by a court ruling on a request for an anti-suit injunction affecting extraterritorial
 9 litigation, which restraint is then heightened even more for comity concerns. “[A]lthough
 10 injunctions may be had to prevent ‘ ‘unseemly conflict’ ’ between California courts in multiple
 11 proceedings, ‘judicial restraint takes on a more fundamental importance’ when one of the cases
 12 has been filed in a different state. ([*Advanced Bionics, supra*, 29 Cal.4th] at p. 706.) ‘A parallel
 13 action in a different state presents sovereignty concerns that compel California courts to use
 14 judicial restraint when determining whether they may properly issue [injunctive relief] against
 15 parties pursuing an action in a foreign jurisdiction.’ (*Id.* at p. 707.)” (*TSMC, supra*, 161
 16 Cal.App.4th at p. 590.) The Supreme Court in *Advanced Bionics* had defined comity as
 17 circumstances under which “ ‘ ‘the laws of one state are ... permitted by the courtesy of
 18 another to operate in the latter for the promotion of justice, where neither that state nor its
 19 citizens will suffer any inconvenience from the application of the foreign law. This courtesy, or
 20 comity, is established, not only from motives of respect for the laws and institutions of the
 21 foreign countries, but from considerations of mutual utility and advantage.’ ”...’ [Citations.]”
 22 (*Advanced Bionics, supra*, 29 Cal.4th at p. 707.)

23 “Having discussed these principles of restraint and comity, and having stressed the
 24 fundamental importance of these principles when litigants are pursuing actions in courts of
 25 separate sovereignty,” the high court in *Advanced Bionics* came to its holding “that ‘enjoining
 26 proceedings in another state requires an exceptional circumstance that outweighs the threat to
 27 judicial restraint and comity principles.’ [Citation.] [But] the court gave no indication of what
 28 such an ‘exceptional circumstance’ might be to justify an anti[-]suit injunction.” (*TSMC, supra*,

1 161 Cal.App.4th at p. 591.) So while it is evident under California law that great restraint should
 2 be exercised and that comity concerns are paramount when a court is considering whether to
 3 issue an anti-suit injunction, just what criteria or factors might be considered an exceptional
 4 circumstance outweighing these interests is not so evident.

5 In *TSMC*, as noted, the proponent of the anti-suit injunction had suggested a list of four
 6 circumstances, which it argued there outweighed judicial restraint and comity concerns and were
 7 so exceptional as to warrant the injunction. The Court of Appeal discussed each of the suggested
 8 factors in turn while acknowledging that no authoritative case had identified them as having such
 9 weight. (*TSMC, supra*, 161 Cal.App.4th at pp. 591-602.) Again, the urged factors were (1) the
 10 protection of the constitutional rights of the party seeking the injunction; (2) the protection of the
 11 trial court's jurisdiction; (3) the protection of California's public policies; and (4) enforcing
 12 contractual promises as to choice of law. (*Ibid.*) In discussing the latter three factors, the *TSMC*
 13 court credited the separate concurring opinion of Justice Moreno in *Advanced Bionics* as
 14 identifying a framework for analyzing "exceptional circumstances" that would warrant the
 15 issuance of an anti-suit injunction, all of which derive from federal law. (*TSMC, supra*, 161
 16 Cal.App.4th at pp. 595-596, 598, 602.) But the *TSMC* court emphasized that while Justice
 17 Moreno's separate concurring opinion "offer[ed] a thoughtful analysis of federal law on anti[-
 18]suit injunctions," it did not express the majority view of the Supreme Court and thus had no
 19 precedential effect. (*Id.* at pp. 595-596.)

20 Justice Moreno's survey of federal law on anti-suit injunctions in *Advanced Bionics*
 21 described two approaches. (*Advanced Bionics, supra*, 29 Cal.4th at pp. 712-714 (conc. opn. of
 22 Moreno, J.)) "Under the 'restrictive approach,' which Justice Moreno favored, 'courts should
 23 only issue anti[-]suit injunctions in two situations: if "necessary to protect the jurisdiction of the
 24 enjoining court, or to prevent the litigant's evasion of the important public policies of the
 25 forum." [Citation.]' (*Id.* at p. 714 (conc. opn. of Moreno, J.)) The concurrence stressed that
 26 'circuits that follow the restrictive approach "have interpreted these exceptions narrowly."
 27 [Citation.]' (*Ibid.*)" (*TSMC, supra*, 161 Cal.App.4th at p. 595, fn. omitted.) "Under the 'liberal
 28 approach' adopted [in other circuits], an anti[-]suit injunction may issue simply upon a showing

1 that there is parallel litigation in the foreign forum causing unwarranted duplication of effort,
 2 inconvenience, expense and vexation. [Citation.] The concurrence faulted this approach for
 3 giving insufficient attention to concerns of comity. (*Advanced Bionics, supra*, 29 Cal.4th at p.
 4 714 (conc. opn. of Moreno, J.).)” (*TSMC, supra*, 161 Cal.App.4th at p. 595, fn. 5.)

5 But according to the *TSMC* court, the *Advanced Bionics* “majority arguably adopted an
 6 even stricter standard than the federal courts’ ‘restrictive approach.’ ” (*TSMC, supra*, 161
 7 Cal.App.4th at p. 596.) Per the *TSMC* court, that majority “did not endorse the issuance of an
 8 anti[-]suit injunction for a California court to protect its jurisdiction. (*Advanced Bionics, supra*,
 9 29 Cal.4th at p. 706, [707-708].)” (*TSMC, supra*, 161 Cal.App.4th at p. 596.) It also “implicitly
 10 rejected the ‘policy evasion’ rationale,” concluding that even California’s “‘strong interest in
 11 protecting employees from noncompetition agreements … did not justify an injunction … .’
 12 (*Advanced Bionics, supra*, 29 Cal.4th at pp. 706-707.) The *Advanced Bionics* court did not weigh
 13 the policy interest against other considerations or analyze evidence bearing upon whether the
 14 defendant was purposely attempting to evade California’s policy. Rather, the court simply
 15 observed that ‘[a] parallel action in a different state presents sovereignty concerns that compel
 16 California courts to use judicial restraint when determining whether they may properly issue
 17 [injunctive relief] against parties pursuing an action in a foreign jurisdiction.’ (*Id.* at p. 707.)”
 18 (*TSMC, supra*, 161 Cal.App.4th at p. 598.) Moreover, “even under the approach described in
 19 Justice Moreno’s concurrence, the ‘evading public policy’ justification for enjoining foreign
 20 proceedings has been construed narrowly. [Citations.] The issue is not simply whether California
 21 has a strong public policy that is at odds with the foreign suit. Instead, the question is whether the
 22 foreign action was initiated for the purpose of evading California’s public policy. (*Advanced*
 23 *Bionics, supra*, 29 Cal.4th at pp. 717-718 (conc. opn. of Moreno, J.).)” (*TSMC, supra*, 161
 24 Cal.App.4th at p. 598.) As to the factor of enforcing choice-of-law provisions, “[n]o California
 25 authority supports this argument that a trial court can, or should, enjoin foreign proceedings
 26 whenever they involve claims that may be governed by contractual choice-of-law provisions”
 27 and in *Advanced Bionics* itself, which “involved a mandatory choice-of-law clause ([*Advanced*
 28 *Bionics, supra*, 29 Cal.4th] at p. 701), the majority did not mention choice of law in its analysis

1 " (*TSMC, supra*, 161 Cal.App.4th at p. 601; see also *Biosense, supra*, 135 Cal.App.4th at p.
 2 838 [choice-of-law analysis simply not a good "fit" with the injunction context].)

3 While not binding on this court, the Ninth Circuit Court of Appeals applies a different
 4 analysis to the issuance of anti-suit injunctions, though even there, a court's power to do so
 5 should be used "sparingly." (*Microsoft Corp. v. Motorola, Inc.* (9th Cir. 2012) 696 F.3d 872, 881
 6 (*Microsoft*).) A three-part test governs a district court's assessment of the propriety of an anti-
 7 suit injunction. (*Ibid.*) First, the court must evaluate "whether or not the parties and the issues are
 8 the same, and whether or not the first action is dispositive of the action to be enjoined." (*Applied*
 9 *Med. Distrib. Corp. v. Surgical Co.* (9th Cir. 2009) 587 F.3d 909, 914 (*Applied*).) Second, the
 10 court must assess "whether at least one of the so-called 'Unterweser factors' applies."
 11 (*Microsoft, supra*, 696 F.3d at p. 881.) Third, the court must inquire into whether the impact on
 12 comity is tolerable. (*Ibid.*; *Applied, supra*, 587 F.3d at p. 913.)

13 With respect to the first prong, and when there is a forum selection clause at play,
 14 whether there is identity between the two actions is determined by a "functional inquiry"
 15 concerning dispositiveness. This requires a determination of "whether the issues are the same in
 16 the sense that all the issues in the foreign action fall under the forum selection clause and can be
 17 resolved in the [U.S.] action." (*Applied, supra*, 587 F.3d at p. 915.) With respect to the second
 18 prong, the "Unterweser factors" were first articulated by the Fifth Circuit Court of Appeals in *In*
 19 *re Unterweser Reederei GMBH* (5th Cir. 1970) 428 F.2d 888, 896, affirmed on rehearing (5th
 20 Cir. 1971) 446 F.2d 907 (*Unterweser*). The Ninth Circuit adopted *Unterweser* as useful in *Seattle*
 21 *Totems Hockey Club, Inc. v. Nat'l Hockey League* (9th Cir. 1981) 652 F.2d 852, and has since
 22 held that "any of the *Unterweser* factors" may justify anti-suit injunctive relief. (*Microsoft,*
 23 *supra*, 696 F.3d at p. 882 & fn. 9.) The four *Unterweser* factors are whether the foreign litigation
 24 would (1) frustrate a policy of the forum issuing the injunction; (2) be vexatious or oppressive;
 25 (3) threaten the issuing court's in rem or quasi in rem jurisdiction; or (4) prejudice other
 26 equitable considerations. (*Id.* at p. 882, quoting *E. & J. Gallo Winery v. Andina Licores S.A.* (9th
 27 Cir. 2006) 446 F.3d 984, 990 (*Gallo*)).

28

1 The court now turns to applying the applicable California legal framework to defendants'
2 arguments that Palantir should be enjoined from prosecuting the German Proceedings by an anti-
3 suit injunction.

4 III. *Application of Law to Defendants' Arguments in Support of the Motion*

5 Defendants' motion for an anti-suit injunction in essence asserts that these four factors
6 support relief here: (1) the German Proceedings are covered by and therefore violate the forum
7 selection clauses of the Confidential Contracts; (2) Palantir is proceeding in bad faith and
8 vexatiously; (3) Palantir is attempting to evade this court's discovery rulings; and (4) not issuing
9 an injunction would seriously harm international comity concerns because of the forum selection
10 clauses. The court concludes that none of these factors in this case, taken alone or together,
11 amount to the extraordinary circumstances that must exist under California law to warrant the
12 issuance of an anti-suit injunction.

13 Taking the first argued factor—that Palantir's initiation of the German Proceedings
14 violates the forum selection clauses of the Confidential Contracts—this is not shown to be the
15 case. While the language of the forum selection clauses here may be broad, in each case, the
16 clause still extends only to the subject matter of the agreements, none of which involve patent
17 rights or claims, or inventorship issues. It is a stretch to conclude that Palantir's claimed foreign
18 patent rights "arise out of" any of the agreements. And as noted by the U.S. District Court in its
19 remand order in this case, patent claims, which center on inventorship, are distinct from state
20 statutory and common law causes of action as asserted here. This is so even if there are
21 tangential proof issues in common or if Palantir's remedies, assuming success here, may
22 tangentially involve issues touching on patent ownership. And while defendants contend that all
23 relief claimed by Palantir in the German Proceedings is available in this case, the court is hard
24 pressed to understand how Palantir's perfection and protection of its international patent rights
25 against third parties in Europe could ever be secured by way of remedy in this case. As Palantir
26 casts it, the German Proceedings involve its assertion of European intellectual property rights
27 based on foreign law in a European court, which is wholly distinct from the assertion of
28 California statutory and common law causes of action asserted in this California court.

1 What's more, there is no California authority holding that a forum selection clause is a
2 factor amounting to the exceptional circumstances required before a state court may issue an
3 anti-suit injunction to restrain parties involved in foreign litigation. It's true that in *TSMC*, at
4 issue was a contractual choice-of-law provision, not a forum selection clause. The court there
5 rejected the choice-of-law provision as a basis for an anti-suit injunction. (*TSMC, supra*, 161
6 Cal.App.4th at p. 601.) Perhaps a forum selection clause would be more compelling in the anti-
7 suit injunction context. But there is no California authority so holding. And, as Palantir contends,
8 the published federal cases cited by defendants all involve foreign actions premised on disputes
9 stemming from the violation or enforceability of a contract containing a forum selection clause,
10 not freestanding or extant legal rights existing and uniquely enforceable in the foreign forum.
11 (See, e.g., *Gallo, supra*, 446 F.3d at pp. 987, 991 [claims in U.S. District Court and in
12 Ecuadorian court all arose from the same distributorship agreement that included an expansive
13 forum selection clause applicable to disputes between the parties arising under the agreement or
14 otherwise]; *Applied, supra*, 587 F.3d at p. 917 [claims asserted in Belgian court arose from
15 termination of a contract containing a forum selection clause and could not exist otherwise];
16 *Microsoft, supra*, 696 F.3d at p. 889 [patent licensing agreement was basis for enjoining would-
17 be licensor from pursuing German patent infringement remedy against prospective licensees
18 while litigation over agreement and rights thereunder was pending; U.S. contract action would be
19 dispositive of German patent infringement action under the licensing agreement at issue because
20 of the contractual umbrella over the patent claims].)

21 Defendants' contractual waiver arguments fare no better. Two of the contacts do provide
22 for a waiver of the right to assert by motion or defense in any suit, action, or proceeding properly
23 brought in the federal or state courts located in the Northern District of California, and arising
24 out of or based on the agreement, any claim that contracting party is not subject to personal
25 jurisdiction in those courts or that the party's property is exempt or immune from attachment or
26 execution, or that the suit, action, or proceeding is brought in an inconvenient forum, that venue
27 is improper, or that the subject matter of the agreement is not enforceable in or by those courts.
28 These provisions, by their plain language, do not limit a contracting party's right to bring suit on

1 substantive claims not arising out of or based on the agreement in other forums or waive all
 2 claims that are not subject to the jurisdiction of the state and federal courts within the Northern
 3 District of California.

4 In sum, while Abramowitz's alleged theft and disclosure of trade secrets in violation of a
 5 non-disclosure agreement or confidentiality provision may be a factual predicate to his European
 6 patent applications, this does not mean that Palantir's claims to patent rights in the German
 7 Proceedings necessarily "arose out of" or were "based on" those agreements, which do not
 8 involve patents or licensing of patents, or a patent umbrella, for purposes of the forum selection
 9 clauses at issue. None of the authorities cited by defendants hold otherwise or extend broadly to
 10 patent protection claims, which can be litigated and relief afforded only in patent forums
 11 determining intellectual property rights enforceable within the circumscribed affected territories.
 12 (See, e.g., *EFund Capital Partners v. Pless* (2007) 150 Cal.App.4th 1311, 1328-1329 [claims
 13 "arising from or out of" contract with arbitration provision that must be liberally construed
 14 included extra-contractual *tort* claims]; *Berman v. Dean Witter & Co.* (1975) 44 Cal.App.3d 999,
 15 1003 [contractual provision requiring arbitration of any controversy "arising out of or relating to
 16 this contract" broad enough to require *tort* claims to be arbitrated so long as claims rooted in
 17 relationship between the parties created by the contract]; *Smith, Valentino & Smith, Inc. v.*
 18 *Superior Court* (1976) 17 Cal.3d 491, 497 [forum selection clause requiring litigation in certain
 19 forum of all matters "arising under or growing out of agreement" covered *tort* as well as contract
 20 claims]; *Invista N. Am. V. Rhodia Polyamide Intermediates* (D.D.C. 2007) 503 F.Supp. 2d 195,
 21 200-207 [licensing agreement involving patents with arbitration clause and confidentiality
 22 provision that expressly prohibited party from using confidential information in patent
 23 application required arbitration of patent claims because they arose out of the agreement and
 24 arbitration award could be enforced through USPTO via application or court order].)

25 All of these cases are distinguishable from the circumstances here, most notably in the
 26 broad policies favoring arbitration—as opposed to the policies cautioning restraint here—and the
 27 subject matter of the contracts at issue directly relating to the extra-contractual claims. Moreover,
 28 the patent matters that will be adjudicated in the German Proceedings are not the same state

1 statutory and common law contract claims that are being litigated here.⁵ None of the cited
 2 authorities alter that conclusion.

3 As to the second argued factor that Palantir is litigating in bad faith, and assuming for the
 4 sake of argument that this assertion is true, again, there is no California authority holding that
 5 litigation tactics, even sanctionable ones, are a basis for an anti-suit injunction or amount to the
 6 exceptional circumstances required before such relief can be granted. It's challenging to consider
 7 how such a factor could ever outweigh the comity concerns that the court in *Advanced Bionics*
 8 emphasized as dictating judicial restraint. And without assuming the truth of the allegations of
 9 bad faith, many of defendants' allegations of Palantir's wrongdoing, such as representations to
 10 the court about the scope and terms of the contracts at issue, have yet to be determined or
 11 adjudicated. The court remains unconvinced that these allegations of bad faith properly bear on
 12 the legal question of the propriety of the anti-suit injunctive relief requested.

13 As to the third cited factor—Palantir's attempt to evade or circumvent this court's rulings
 14 and California trade secret law requiring adequate disclosure of the trade secrets before
 15 discovery may begin—this issue has effectively become moot now that the court has declined to
 16 continue the Code of Civil Procedure section 2019.210 discovery stay in view of Palantir's latest
 17 trade secret disclosure. Moreover, as noted, as noted in later cases, the California Supreme Court
 18 in *Advanced Bionics* did not embrace the evasion-of-policy basis as an exceptional circumstance
 19 warranting anti-suit injunctive relief. (*TSMC, supra*, 161 Cal.App.4th at p. 598; *Advanced*
 20 *Bionics, supra*, 29 Cal.4th at pp. 706-707; *Biosense, supra*, 135 Cal.App.4th at p. 838.)

21 Finally, turning California's comity concerns on their head, defendants contend, citing
 22 only federal law, that *not* issuing an injunction here would seriously harm international comity.
 23 This argument is premised on the same claims about the overarching and expansive nature of the
 24 forum selection clauses in the contracts at issue as covering, and precluding, the German

25
 26 ⁵ In some sense, Palantir has only itself to thank for having to address defendants'
 27 arguments that the forum selection clauses in the contracts cover patent proceedings, in the
 28 United States or in Europe. The manner in which it laid out its patent claims in the German
 Proceedings and elsewhere invited this argument. But no matter how the evolution of the patent
 claims are factually framed, it is still technical inventorship, not contractual or other state
 statutory rights, that are at the core of patent proceedings.

1 Proceedings. But the court has rejected this argument, and it is not fortified by comity concerns.
2 Indeed, the opposite is true. Under California law, which mandates heightened judicial restraint
3 out of comity concerns and which does not call out forum selection clauses as an exceptional
4 circumstance outweighing that restraint, defendants' argument that comity affirmatively requires
5 injunctive relief on the basis of forum selection clauses—the scope of which doubtfully swallows
6 the dispute in the foreign forum—falls flat.

7 In sum, the court does not find exceptional circumstances here that, under California law,
8 outweigh the judicial restraint and comity concerns dictating against the issuance of an anti-suit
9 injunction. (*Advanced Bionics, supra*, 29 Cal.4th at p. 708.) The “use of injunctive relief ‘to
10 prohibit a person from resorting to a foreign court is a power rarely and sparingly employed.’ ”
11 (*Id.* at p. 705.) Based on the arguments and evidence presented here, the court is not compelled
12 to wield that power here.

13 **IV. Conclusion**

14 Having so concluded, defendants' motion for an anti-suit injunction is denied.

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16 IT IS SO ORDERED.
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18 Dated: May 21, 2019
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HELEN E. WILLIAMS
Judge of the Superior Court



**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA CLARA
DOWNTOWN COURTHOUSE
191 NORTH FIRST STREET
SAN JOSE, CALIFORNIA 95113
CIVIL DIVISION**

FILED
MAY 21 2019

Clerk of the Court
Superior Court of CA County of Santa Clara
BY *J. Zenzen* DEPUTY

RE: **Palantir Technologies, Inc. v. Mark Abramowitz**
Case Number: **16CV299476**

PROOF OF SERVICE

Order Denying Defendants' Motion for an Anti-Suit Injunction was delivered to the parties listed below the above entitled case as set forth in the sworn declaration below.

If you, a party represented by you, or a witness to be called on behalf of that party need an accommodation under the American with Disabilities Act, please contact the Court Administrator's office at (408) 882-2700, or use the Court's TDD line (408) 882-2690 or the Voice/TDD California Relay Service (800) 735-2922.

DECLARATION OF SERVICE BY MAIL: I declare that I served this notice by enclosing a true copy in a sealed envelope, addressed to each person whose name is shown below, and by depositing the envelope with postage fully prepaid, in the United States Mail at San Jose, CA on May 21, 2019. CLERK OF THE COURT, by Joshua Zenzen, Deputy.

cc: David Laurence Zifkin 401 Wilshire Blvd Ste 850 Santa Monica CA 90401
Jack Patrick DiCanio 525 University Avenue Suite 1400 Palo Alto CA 94301